

Health; pharmaceuticals; financial disclosure by pharmaceutical companies regarding certain sales techniques; require.

HEALTH: Pharmaceuticals; HUMAN SERVICES: Medical services

A bill to amend 1978 PA 368, entitled  
"Public health code,"  
(MCL 333.1101 to 333.25211) by adding sections 17748a, 17748b,  
17748c, 17748d, 17748e, 17748f, 17748g, 17748h, 17748i, 17748j,  
17748k, 17748l, 17748m, 17748n, 17748o, 17748p, 17748q, 17748r,  
17748s, 17748t, and 17748u.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 SEC. 17748A. AS USED IN THIS SECTION AND IN SECTIONS 17748B  
2 TO 17748U:

3 (A) "AGENT" MEANS A PERSON WHO ENGAGES IN A REGULATED ACTIV-  
4 ITY ON BEHALF OF ANOTHER PERSON. AGENT INCLUDES AN OUTSIDE  
5 SALESPERSON, SALES REPRESENTATIVE, PHARMACEUTICAL REPRESENTATIVE,  
6 DETAILER, MEDICAL EDUCATION AND COMMUNICATIONS COMPANY, SALES  
7 AGENT, SALES SPECIALIST, ACCOUNT EXECUTIVE, OR ACCOUNT MANAGER.  
8 AGENT INCLUDES A DISTRIBUTOR, DISPENSER, OR PRESCRIBER WHEN

1 ACTING FOR A MANUFACTURER OR AN AGENT. AGENT DOES NOT INCLUDE  
2 THE FOLLOWING:

3 (i) A COMMON OR CONTRACT CARRIER, WAREHOUSER, OR EMPLOYEE OF  
4 THE CARRIER OR WAREHOUSER.

5 (ii) A PUBLISHER, OWNER, OR WORKING MEMBER OF THE PRESS,  
6 RADIO, OR TELEVISION WHILE DISSEMINATING NEWS OR EDITORIAL COM-  
7 MENT TO THE GENERAL PUBLIC IN THE ORDINARY COURSE OF BUSINESS.

8 (iii) AN ELECTED OR APPOINTED PUBLIC OFFICIAL OF STATE OR  
9 LOCAL GOVERNMENT WHO IS ACTING IN THE COURSE OR SCOPE OF THE  
10 OFFICE FOR NO COMPENSATION, OTHER THAN THAT PROVIDED BY LAW FOR  
11 THE OFFICE.

12 (B) "BUSINESS" MEANS A CORPORATION, PARTNERSHIP, SOLE PRO-  
13 PRIETORSHIP, FIRM, ENTERPRISE, FRANCHISE, ASSOCIATION, ORGANIZA-  
14 TION, SELF-EMPLOYED INDIVIDUAL, HOLDING COMPANY, JOINT STOCK COM-  
15 PANY, RECEIVERSHIP, TRUST, ACTIVITY, OR ENTITY THAT IS ORGANIZED  
16 FOR PROFIT OR NONPROFIT PURPOSES.

17 (C) "BUSINESS WITH WHICH THE PRESCRIBER IS ASSOCIATED" MEANS  
18 A BUSINESS IN WHICH ANY OF THE FOLLOWING APPLY:

19 (i) THE PRESCRIBER IS A PARTNER, DIRECTOR, OFFICER, OR  
20 EMPLOYER.

21 (ii) A MEMBER OF THE PRESCRIBER'S IMMEDIATE FAMILY IS A  
22 PARTNER, DIRECTOR, OFFICER, OR EMPLOYER.

23 (iii) THE PRESCRIBER OR A MEMBER OF THE PRESCRIBER'S IMMEDI-  
24 ATE FAMILY IS A STOCKHOLDER OF CLOSE CORPORATION STOCK WORTH  
25 \$1,000.00 OR MORE AT FAIR MARKET VALUE OR WHICH REPRESENTS MORE  
26 THAN 5% EQUITY INTEREST, OR IS A STOCKHOLDER OF PUBLICLY TRADED  
27 STOCK WORTH \$10,000.00 OR MORE AT FAIR MARKET VALUE OR WHICH

1 REPRESENTS MORE THAN 10% EQUITY INTEREST. THIS SUBDIVISION DOES  
2 NOT APPLY TO PUBLICLY TRADED STOCK UNDER A TRADING ACCOUNT IF THE  
3 FILER REPORTS THE NAME AND ADDRESS OF THE STOCKBROKER.

4 (D) "COMPENSATION" MEANS A PAYMENT OF MONEY, OBJECTS, SERV-  
5 ICES, OR ANYTHING OF MONETARY VALUE RECEIVED OR TO BE RECEIVED  
6 FROM A PERSON, WHETHER IN THE FORM OF A FEE, SALARY, FORBEARANCE,  
7 FORGIVENESS, OR ANOTHER FORM OF RECOMPENSE.

8 (E) "DEPARTMENT" MEANS THE DEPARTMENT OF CONSUMER AND INDUS-  
9 TRY SERVICES OR A SUCCESSOR DEPARTMENT.

10 (F) "EXPENDITURE" MEANS COMPENSATION FOR LABOR OR AN  
11 ADVANCE, HONORARIUM, SPEAKER'S FEE, CONVEYANCE, GIFT, DEPOSIT,  
12 DISTRIBUTION, TRANSFER OF MONEY, LOAN, PAYMENT, PLEDGE, SUBSCRIP-  
13 TION OF MONEY, OR ANYTHING OF VALUE, INCLUDING A CONTRACT, AGREE-  
14 MENT, PROMISE, OR OTHER OBLIGATION, WHETHER OR NOT LEGALLY  
15 ENFORCEABLE.

16 (G) "FINANCIAL TRANSACTION" MEANS A PURCHASE, SALE, OR OTHER  
17 TYPE OF TRANSFER OR EXCHANGE OF MONEY, GOODS, OTHER PROPERTY, OR  
18 SERVICES FOR CONSIDERATION OF SUBSTANTIALLY EQUAL OR GREATER  
19 VALUE.

20 (H) "GIFT" MEANS A PAYMENT, ADVANCE, FORBEARANCE, LOAN, OR  
21 THE TENDERING OR DEPOSIT OF MONEY, SERVICES, OR ANYTHING OF  
22 VALUE, THE CUMULATIVE VALUE OF WHICH EXCEEDS \$47.00 IN ANY 1  
23 MONTH PERIOD, UNLESS CONSIDERATION OF EQUAL OR GREATER VALUE IS  
24 RECEIVED. GIFT DOES NOT INCLUDE:

25 (i) ANYTHING OF VALUE RECEIVED FROM A MEMBER OF THE  
26 RECIPIENT'S IMMEDIATE FAMILY, A RELATIVE, OR A RELATIVE OF A

1 SPOUSE, WITHIN THE SEVENTH DEGREE OF CONSANGUINITY AS COMPUTED BY  
2 THE CIVIL LAW METHOD, OR THE SPOUSE OF SUCH A RELATIVE.

3 (ii) A BREAKFAST, LUNCHEON, DINNER, OR OTHER REFRESHMENT  
4 CONSISTING OF FOOD AND BEVERAGE PROVIDED FOR IMMEDIATE  
5 CONSUMPTION.

6 (I) "IMMEDIATE FAMILY" MEANS AN INDIVIDUAL'S CHILD RESIDING  
7 IN THE INDIVIDUAL'S HOUSEHOLD, A SPOUSE OF AN INDIVIDUAL, OR AN  
8 INDIVIDUAL CLAIMED BY THAT INDIVIDUAL OR THAT INDIVIDUAL'S SPOUSE  
9 AS A DEPENDENT FOR FEDERAL INCOME TAX PURPOSES.

10 (J) "LOAN" MEANS A TRANSFER OF MONEY, PROPERTY, OR ANYTHING  
11 OF ASCERTAINABLE VALUE IN EXCHANGE FOR AN OBLIGATION, CONDITIONAL  
12 OR NOT, TO REPAY IN WHOLE OR IN PART. LOAN DOES NOT INCLUDE A  
13 TRANSFER MADE IN THE NORMAL COURSE OF BUSINESS BY AN INSTITUTION  
14 AS DEFINED IN SECTION 1202 OF THE BANKING CODE OF 1999, 1999  
15 PA 276, MCL 487.11202, A NATIONAL BANK, A BRANCH BANK, AN INSUR-  
16 ANCE COMPANY ISSUING A LOAN OR RECEIVING A MORTGAGE IN THE NORMAL  
17 COURSE OF BUSINESS, A PREMIUM FINANCE COMPANY, A MORTGAGE COM-  
18 PANY, A SMALL LOAN COMPANY, A STATE OR FEDERAL CREDIT UNION, A  
19 SAVINGS AND LOAN ASSOCIATION CHARTERED BY THIS STATE OR THE FED-  
20 ERAL GOVERNMENT, OR A LICENSEE AS DEFINED BY SECTION 2 OF THE  
21 MOTOR VEHICLES SALES FINANCE ACT, 1950 (EX SESS) PA 27,  
22 MCL 492.102.

23 (K) "MANUFACTURER" MEANS A PERSON THAT PREPARES, PRODUCES,  
24 DERIVES, PROPAGATES, COMPOUNDS, PROCESSES, PACKAGES, OR REPACK-  
25 AGES A CONTROLLED SUBSTANCE OR A DRUG OR DEVICE SALABLE ON PRE-  
26 SCRIPTON ONLY, OR OTHERWISE CHANGES THE CONTAINER OR THE  
27 LABELING OF A CONTROLLED SUBSTANCE OR A DRUG OR DEVICE SALABLE ON

1 PRESCRIPTION ONLY, AND THAT SUPPLIES, DISTRIBUTES, SELLS, OFFERS  
2 FOR SALE, BARTERS, OR OTHERWISE DISPOSES OF THAT CONTROLLED SUB-  
3 STANCE OR DRUG OR DEVICE SALABLE ON PRESCRIPTION ONLY TO ANOTHER  
4 PERSON FOR RESALE, COMPOUNDING, OR DISPENSING.

5 (l) "PRESCRIBER" MEANS, IN ADDITION TO AN INDIVIDUAL  
6 INCLUDED IN SECTION 17708(2), ALL OF THE FOLLOWING:

7 (i) AN EMPLOYEE OF A BUSINESS WITH WHICH AN INDIVIDUAL  
8 INCLUDED IN SECTION 17708(2) IS ASSOCIATED.

9 (ii) AN IMMEDIATE FAMILY MEMBER OF AN INDIVIDUAL INCLUDED IN  
10 SECTION 17708(2).

11 (iii) A BUSINESS WITH WHICH THE MANUFACTURER OR AGENT KNOWS  
12 AN INDIVIDUAL INCLUDED IN SECTION 17708(2) IS ASSOCIATED.

13 (M) "REGULATED ACTIVITY" MEANS SALE, OFFER FOR SALE, PROMO-  
14 TION, DETAILING, RECOMMENDATION OF PURCHASE, INFORMATIONAL CON-  
15 TACT, COMMUNICATION FOR THE PURPOSE OF INDUCING A SALE, OR SIMI-  
16 LAR CONDUCT CONCERNING A CONTROLLED SUBSTANCE OR A DRUG OR DEVICE  
17 SALABLE ON PRESCRIPTION ONLY.

18 SEC. 17748B. NOT LATER THAN 15 DAYS AFTER BECOMING A MANU-  
19 FACTURER, THE MANUFACTURER SHALL FILE A REGISTRATION ON A FORM OR  
20 IN A MANNER SPECIFIED BY THE DEPARTMENT. THE REGISTRATION SHALL  
21 CONTAIN THE FOLLOWING INFORMATION:

22 (A) THE MANUFACTURER'S NAME AND OFFICE ADDRESS.

23 (B) THE NAME AND ADDRESS OF EACH PERSON EMPLOYED, REIMBURSED  
24 FOR EXPENSES THAT EXCEED \$19.00, OR GIVEN COMPENSATION BY THE  
25 MANUFACTURER FOR PERFORMING A REGULATED ACTIVITY IN THIS STATE.

1 (C) THE NAME, ADDRESS, AND NATURE OF BUSINESS OF EACH PERSON  
2 THAT GIVES COMPENSATION TO THE MANUFACTURER OR THE AGENT OF A  
3 MANUFACTURER FOR REGULATED ACTIVITIES.

4 (D) THE FISCAL YEAR OF THE MANUFACTURER.

5 SEC. 17748C. NOT LATER THAN 3 DAYS AFTER BECOMING AN AGENT,  
6 THE AGENT SHALL FILE A REGISTRATION ON A FORM OR IN A MANNER  
7 SPECIFIED BY THE DEPARTMENT. THE REGISTRATION SHALL CONTAIN THE  
8 FOLLOWING INFORMATION:

9 (A) IF THE AGENT IS NOT AN INDIVIDUAL, THE AGENT'S NAME AND  
10 OFFICE ADDRESS.

11 (B) IF THE AGENT IS AN INDIVIDUAL, THE AGENT'S NAME, PER-  
12 MANENT RESIDENCE ADDRESS, AND OFFICE ADDRESS.

13 (C) THE NAME AND ADDRESS OF EACH PERSON EMPLOYED, REIMBURSED  
14 FOR EXPENSES THAT EXCEED \$19.00, OR GIVEN COMPENSATION BY THE  
15 AGENT FOR A REGULATED ACTIVITY IN THIS STATE.

16 (D) THE NAME, ADDRESS, AND NATURE OF BUSINESS OF EACH PERSON  
17 WHO GIVES COMPENSATION TO OR REIMBURSES THE AGENT OR THE REPRE-  
18 SENTATIVE OF AN AGENT FOR REGULATED ACTIVITIES.

19 SEC. 17748D. A MANUFACTURER OR AGENT THAT FAILS TO REGISTER  
20 UNDER SECTION 17748B OR 17748C SHALL PAY A LATE REGISTRATION FEE  
21 OF \$19.00 FOR EACH DAY THE MANUFACTURER OR AGENT REMAINS NOT REG-  
22 ISTERED IN VIOLATION OF SECTION 17748B OR 17748C, NOT TO EXCEED  
23 \$570.00. IN ADDITION TO THE LATE REGISTRATION FEE, A MANUFAC-  
24 TURER OR AGENT THAT FAILS TO REGISTER UNDER SECTION 17748B OR  
25 17748C FOR MORE THAN 30 DAYS IS GUILTY OF A MISDEMEANOR PUNISH-  
26 ABLE BY A FINE OF NOT MORE THAN \$1,000.00.

1           SEC. 17748E. A PERSON REQUIRED TO REGISTER UNDER  
2 SECTION 17748B OR 17748C SHALL FILE A NOTICE OF TERMINATION WITH  
3 THE DEPARTMENT WITHIN 30 DAYS AFTER CEASING REGULATED  
4 ACTIVITIES. FILING A TERMINATION NOTICE DOES NOT RELEASE THE  
5 PERSON REQUIRED TO REGISTER UNDER SECTION 17748B OR 17748C FROM  
6 THE REPORTING REQUIREMENTS FOR THAT REPORTING PERIOD. AN AGENT  
7 SHALL FILE A NOTICE OF TERMINATION WITH THE DEPARTMENT WITHIN 30  
8 DAYS AFTER ANY AGENCY RELATIONSHIP IS TERMINATED, CONCERNING THE  
9 TERMINATED AGENCY RELATIONSHIP.

10           SEC. 17748F. (1) A MANUFACTURER, OR AN AGENT ON BEHALF OF A  
11 MANUFACTURER, SHALL FILE A SIGNED REPORT ON A FORM OR IN A MANNER  
12 SPECIFIED BY THE DEPARTMENT. A REPORT SHALL BE FILED ON OR  
13 BEFORE AUGUST 31 COVERING THE 6 MONTHS ENDING ON JULY 31 AND ON  
14 OR BEFORE JANUARY 31 COVERING THE ENTIRE CALENDAR YEAR ENDING ON  
15 THE IMMEDIATELY PRECEDING DECEMBER 31.

16           (2) A MANUFACTURER OR AGENT MAY REQUEST FROM THE DEPARTMENT  
17 AN EXTENSION OF THE DEADLINE FOR FILING A REPORT UNDER  
18 SUBSECTION (1) FOR A PERIOD NOT TO EXCEED 60 DAYS. WITHIN 9 DAYS  
19 AFTER RECEIPT OF A REQUEST, THE DEPARTMENT SHALL RESPOND IN WRIT-  
20 ING, EITHER APPROVING OR DISAPPROVING THE EXTENSION. IF  
21 APPROVED, THE DEPARTMENT SHALL INCLUDE IN ITS RESPONSE THE PERIOD  
22 OF THE EXTENSION. A MANUFACTURER OR AGENT MAY FILE AN AMENDED  
23 REPORT WITHIN 1 YEAR AFTER THE FILING DEADLINE, INCLUDING AN  
24 EXTENSION PERIOD.

25           SEC. 17748G. A REPORT REQUIRED UNDER SECTION 17748F SHALL  
26 BE SUBMITTED ON A FORM OR IN A MANNER SPECIFIED BY THE  
27 DEPARTMENT. THE REPORT SHALL INCLUDE AN ACCOUNT OF EACH

1 EXPENDITURE MADE BY THE MANUFACTURER AND AGENT. THE EXPENDITURES  
2 SHALL BE GROUPED BY PRESCRIBER AND SHALL BE REPORTED BY CATEGORY,  
3 WITH THE REPORT SHOWING THE TOTAL AMOUNT EXPENDED IN EACH CATE-  
4 GORY DURING THE PRECEDING REPORTING PERIOD AND THE CUMULATIVE  
5 AMOUNT EXPENDED IN EACH CATEGORY FOR THE CURRENT YEAR FROM  
6 JANUARY 1 THROUGH THE MONTH COVERED BY THE REPORT. EXPENDITURES  
7 SHALL BE REPORTED IN THE FOLLOWING CATEGORIES:

8 (A) EXPENDITURES FOR FOOD, BEVERAGES, AND ENTERTAINMENT PRO-  
9 VIDED FOR PRESCRIBERS.

10 (B) EXPENDITURES MADE OR INCURRED BY A MANUFACTURER OR AN  
11 AGENT, OTHER THAN EXPENDITURES MADE OR INCURRED BY A MANUFACTURER  
12 OR AN AGENT OF LESS THAN \$10.00 MADE FOR OR ON BEHALF OF A PRE-  
13 SCRIBER FOR GOODS OR SERVICES FOR WHICH A RECEIPT OR PROOF OF  
14 PURCHASE IS NOT NORMALLY AVAILABLE.

15 (C) EXPENDITURES DURING THE IMMEDIATELY PRECEDING REPORTING  
16 PERIOD BY THE MANUFACTURER OR AGENT FOR OR ON BEHALF OF A PRE-  
17 SCRIBER THAT INVOLVED GOODS OR SERVICES HAVING A VALUE OF AT  
18 LEAST \$950.00 OR THAT INVOLVED TRAVEL OR LODGING EXPENSES PAID  
19 FOR OR REIMBURSED TO A PRESCRIBER IN EXCESS OF \$625.00. THE  
20 ACCOUNT SHALL INCLUDE THE DATE AND NATURE OF THE EXPENDITURE, THE  
21 PARTIES TO THE TRANSACTION, AND THE AMOUNT INVOLVED.

22 SEC. 17748H. SECTIONS 17748F AND 17748G DO NOT APPLY TO THE  
23 FOLLOWING:

24 (A) A FINANCIAL TRANSACTION UNDERTAKEN IN THE ORDINARY  
25 COURSE OF THE MANUFACTURER'S BUSINESS, UNLESS THE MANUFACTURER  
26 GIVES THE PRESCRIBER A PREFERENTIAL INTEREST RATE, PAYMENT DUE  
27 DATE, OR TIME PRICE DIFFERENTIAL SOLELY BECAUSE THE PRESCRIBER IS



1 USING OR ORDERING A SPECIFIC CONTROLLED SUBSTANCE OR DRUG OR  
2 DEVICE SALABLE ON PRESCRIPTION ONLY.

3 (B) THE GIVING OF COMPLIMENTARY STARTER DOSES.

4 SEC. 17748I. (1) FOR TRAVEL OR LODGING EXPENSES DESCRIBED  
5 IN SECTION 17748G, THE MANUFACTURER OR AGENT SHALL PREPARE A SEP-  
6 ARATE DOCUMENT LISTING THE EXPENDITURES. SIMULTANEOUSLY WITH THE  
7 FILING OF THE REPORT TO THE DEPARTMENT, THE MANUFACTURER OR AGENT  
8 SHALL SEND A COPY OF THE DOCUMENT TO THE AFFECTED PRESCRIBER.

9 (2) EXPENDITURES FOR FOOD, BEVERAGES, AND ENTERTAINMENT PRO-  
10 VIDED A PRESCRIBER SHALL BE REPORTED IF THE EXPENDITURES FOR THAT  
11 PRESCRIBER EXCEED \$47.00 IN ANY MONTH COVERED BY THE REPORT OR  
12 \$300.00 DURING THAT CALENDAR YEAR BEGINNING JANUARY 1 THROUGH THE  
13 MONTH COVERED BY THE REPORT. THE REPORT SHALL INCLUDE THE NAME  
14 AND OFFICE ADDRESS OF THE PRESCRIBER AND THE EXPENDITURES FOR  
15 THAT PRESCRIBER FOR THE YEAR. IF MORE THAN 1 PRESCRIBER IS PRO-  
16 VIDED FOOD, BEVERAGES, AND ENTERTAINMENT FOR MONTHS COVERED BY  
17 THE REPORT AND A SINGLE PAYMENT IS MADE, THE REPORT MAY REFLECT  
18 THE AVERAGE AMOUNT OF THE PAYMENT FOR EACH PRESCRIBER.

19 (3) IF THE EXPENDITURES ARE FOR AN EVENT THAT MORE THAN 25  
20 PRESCRIBERS ATTENDED OR AN EVENT TO WHICH AN IDENTIFIABLE GROUP  
21 OF PRESCRIBERS WERE INVITED, THE EXPENDITURES SHALL BE REPORTED,  
22 GROUPED BY EVENT, IF THE TOTAL EXPENDITURES EXCEED \$475.00 IN ANY  
23 MONTH COVERED BY THE REPORT OR \$1,000.00 DURING THAT CALENDAR  
24 YEAR FROM JANUARY 1 THROUGH THE MONTH COVERED BY THE REPORT. A  
25 MANUFACTURER OR AN AGENT SHALL REPORT THE TOTAL AMOUNT EXPENDED  
26 ON THE GROUP OF PRESCRIBERS IN ATTENDANCE FOR FOOD, BEVERAGES,  
27 AND ENTERTAINMENT AND IS NOT REQUIRED TO REPORT THE AMOUNT

1 EXPENDED ON THE PRESCRIBERS INDIVIDUALLY. IN REPORTING THOSE  
2 AMOUNTS, THE MANUFACTURER OR AGENT SHALL PROVIDE A DESCRIPTION BY  
3 CATEGORY OF THE PERSONS IN ATTENDANCE AND THE NATURE OF EACH  
4 EVENT OR FUNCTION HELD DURING THE PRECEDING REPORTING PERIOD.

5 (4) IF AN AGENT EMPLOYS ANOTHER AGENT TO ENGAGE IN REGULATED  
6 ACTIVITIES, THE ACTIVITIES OF THE EMPLOYEE AGENT SHALL BE  
7 REPORTED BY THE EMPLOYER AGENT UNDER THIS SECTION.

8 SEC. 17748J. THE DEPARTMENT SHALL PRESERVE A REPORT FILED  
9 UNDER SECTION 17748F FOR 5 YEARS AFTER FILING. A REPORT MAY BE  
10 REPRODUCED AS AUTHORIZED IN THE RECORDS MEDIA ACT, 1992 PA 116,  
11 MCL 24.401 TO 24.403. AFTER THE REQUIRED PRESERVATION PERIOD, A  
12 REPORT, OR A REPRODUCTION OF THE REPORT, OTHER THAN THOSE NECES-  
13 SARY TO COMPLETE AN INVESTIGATION BY THE ATTORNEY GENERAL OR PER-  
14 TINENT TO A MATTER BEING ADJUDICATED IN A COURT OF LAW, OR OTHER-  
15 WISE REQUIRED BY LAW TO BE RETAINED, SHALL BE DESTROYED.

16 SEC. 17748K. (1) INFORMATION COPIED FROM ANY OF THE FOLLOW-  
17 ING SHALL NOT BE SOLD OR UTILIZED FOR A COMMERCIAL PURPOSE:

18 (A) A REGISTRATION FORM REQUIRED BY SECTION 17748B OR  
19 17748C.

20 (B) A REPORT REQUIRED BY SECTION 17748F.

21 (C) A LIST COMPILED FROM THE FORMS OR REPORTS.

22 (2) A PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL  
23 PENALTY OF NOT MORE THAN \$1,000.00.

24 SEC. 17748L. (1) A MANUFACTURER OR AN AGENT SHALL OBTAIN  
25 AND PRESERVE ACCOUNTS, BILLS, RECEIPTS, BOOKS, PAPERS, AND DOCU-  
26 MENTS NECESSARY TO SUBSTANTIATE A REPORT REQUIRED BY SECTION  
27 17748F FOR 5 YEARS AFTER THE REPORT IS FILED. THE MANUFACTURER

1 OR AGENT SHALL MAKE THESE RECORDS AVAILABLE FOR INSPECTION UPON  
2 REQUEST BY THE DEPARTMENT AFTER REASONABLE NOTICE. THE RECORDS  
3 SHALL INCLUDE THE FOLLOWING:

4 (A) AN ACCOUNT OF EACH EXPENDITURE MADE TO OR FOR A  
5 PRESCRIBER. A SINGLE EXPENDITURE OF \$100.01 OR MORE SHALL BE  
6 RECORDED SEPARATELY WITH THE RECORD SHOWING THE DATE, PURPOSE,  
7 AND NAME AND ADDRESS OF THE RECIPIENT OF THE EXPENDITURE.

8 (B) AN ITEMIZED ACCOUNT OF EACH EXPENDITURE FOR FOOD, BEVER-  
9 AGES, AND ENTERTAINMENT PROVIDED FOR A PRESCRIBER. THE ACCOUNT  
10 SHALL STATE THE DATE AND AMOUNT OF EACH EXPENDITURE, THE NAME AND  
11 TITLE OF THE PRESCRIBER FOR WHOM THE EXPENDITURE WAS MADE, AND  
12 THE NAME OF THE AGENT WHO PURCHASED THE FOOD, BEVERAGES, OR  
13 ENTERTAINMENT FOR THE PRESCRIBER. IF, HOWEVER, MORE THAN 1 PRE-  
14 SCRIBER IS PROVIDED FOOD, BEVERAGES, AND ENTERTAINMENT AND PAY-  
15 MENT IS MADE THROUGH AN UNDIVIDED TRANSACTION, THE ACCOUNT MAY  
16 REFLECT THE AVERAGE AMOUNT EXPENDED FOR EACH PRESCRIBER.

17 (C) THE AMOUNT EXPENDED FOR FOOD, BEVERAGES, AND ENTERTAIN-  
18 MENT FOR PRESCRIBERS AT AN EVENT THAT MORE THAN 25 PRESCRIBERS  
19 ATTENDED OR AN EVENT TO WHICH AN IDENTIFIABLE GROUP OF PRESCRIB-  
20 ERS WERE INVITED. THE RECORD SHALL NOT LIST THE EXPENDITURES FOR  
21 PRESCRIBERS INDIVIDUALLY. THE MANUFACTURER SHALL RECORD THE  
22 NAMES OF EACH PRESCRIBER THAT ACTUALLY ATTENDED AND THE NATURE OF  
23 EACH EVENT HELD.

24 (2) AN INDIVIDUAL WHO VIOLATES THIS SECTION IS GUILTY OF A  
25 MISDEMEANOR PUNISHABLE BY A FINE OF NOT MORE THAN \$1,000.00 OR  
26 IMPRISONMENT FOR NOT MORE THAN 90 DAYS, OR BOTH. A PERSON OTHER

1 THAN AN INDIVIDUAL WHO VIOLATES THIS SECTION IS GUILTY OF A  
2 MISDEMEANOR PUNISHABLE BY A FINE OF NOT MORE THAN \$10,000.00.

3 SEC. 17748M. A PERSON WHO, WITHOUT GOOD CAUSE, FAILS TO  
4 REPORT UNDER SECTION 17748F SHALL PAY A LATE FILING FEE OF \$19.00  
5 FOR EACH DAY THE REPORT REMAINS NOT FILED, NOT TO EXCEED  
6 \$570.00. IN ADDITION TO THE LATE FILING FEE, A PERSON WHO, WITH-  
7 OUT GOOD CAUSE, IS IN VIOLATION MORE THAN 30 DAYS IS GUILTY OF A  
8 MISDEMEANOR PUNISHABLE BY A FINE OF NOT MORE THAN \$1,000.00.

9 SEC. 17748N. (1) AN AGENT WHO IS COMPENSATED, REIMBURSED,  
10 OR OTHERWISE EMPLOYED BY A MANUFACTURER FOR PERFORMING A REGU-  
11 LATED ACTIVITY SHALL PROVIDE TO THE EMPLOYING MANUFACTURER A FULL  
12 ACCOUNTING OF EACH REGULATED ACTIVITY AND EXPENDITURE REQUIRED TO  
13 BE REPORTED UNDER THE REGISTRATION, REPORTING, AND RECORD-KEEPING  
14 REQUIREMENTS OF SECTIONS 17748B TO 17748I AT LEAST 10 DAYS BEFORE  
15 THE EMPLOYING MANUFACTURER'S REPORT IS DUE TO BE FILED. IF THE  
16 AGENT FILES THE REPORT ON BEHALF OF THE MANUFACTURER, THIS  
17 ACCOUNTING IS WAIVED.

18 (2) A PERSON WHO VIOLATES THIS SUBSECTION IS GUILTY OF A  
19 MISDEMEANOR PUNISHABLE BY A FINE OF NOT MORE THAN \$1,000.00.

20 SEC. 17748O. (1) A MANUFACTURER OR AGENT OR ANYONE ACTING  
21 ON BEHALF OF A MANUFACTURER OR AGENT SHALL NOT GIVE A GIFT TO A  
22 PRESCRIBER.

23 (2) AN INDIVIDUAL WHO GIVES A GIFT IN VIOLATION OF THIS SEC-  
24 TION WITH A VALUE OF \$3,000.00 OR LESS IS GUILTY OF A MISDEMEANOR  
25 PUNISHABLE BY A FINE OF NOT MORE THAN \$5,000.00 OR IMPRISONMENT  
26 FOR NOT MORE THAN 90 DAYS, OR BOTH. A PERSON OTHER THAN AN  
27 INDIVIDUAL SHALL BE FINED NOT MORE THAN \$10,000.00.

1 (3) AN INDIVIDUAL WHO GIVES A GIFT IN VIOLATION OF THIS  
2 SECTION WITH A VALUE OF MORE THAN \$3,000.00 IS GUILTY OF A FELONY  
3 PUNISHABLE BY A FINE OF NOT MORE THAN \$10,000.00 OR IMPRISONMENT  
4 FOR NOT MORE THAN 3 YEARS, OR BOTH. A PERSON OTHER THAN AN INDI-  
5 VIDUAL SHALL BE PUNISHED BY A FINE OF NOT MORE THAN \$25,000.00.

6 SEC. 17748P. (1) EFFECTIVE JANUARY 1, 2003 AND EACH YEAR  
7 THEREAFTER, THE MONETARY AMOUNTS ESTABLISHED IN SECTIONS 17748A  
8 TO 17748O FOR REGISTRATION AND REPORTING THRESHOLDS AND FOR PEN-  
9 ALTIES SHALL BE ADJUSTED EACH JANUARY 1 TO REFLECT THE ANNUAL  
10 AVERAGE PERCENTAGE INCREASE OR DECREASE IN THE DETROIT CONSUMER  
11 PRICE INDEX FOR ALL ITEMS AS REPORTED BY THE UNITED STATES  
12 DEPARTMENT OF LABOR. THE ADJUSTMENT FOR EACH YEAR SHALL BE MADE  
13 BY COMPARING THE DETROIT CONSUMER PRICE INDEX--ALL ITEMS FOR THE  
14 12-MONTH PERIOD ENDING THE PRECEDING AUGUST 30 WITH THE CORRE-  
15 SPONDING DETROIT CONSUMER PRICE INDEX OF 1 YEAR EARLIER. THE  
16 PERCENTAGE INCREASE OR DECREASE SHALL BE MULTIPLIED BY THE CUR-  
17 RENT AMOUNTS. THESE RESULTS SHALL BE ROUNDED UP TO THE NEAREST  
18 DOLLAR FOR AMOUNTS ESTABLISHED ON THE EFFECTIVE DATE OF THIS SEC-  
19 TION THAT ARE \$100.00 OR LESS, AND ROUNDED UP TO THE NEAREST  
20 \$25.00 FOR AMOUNTS ESTABLISHED ON THE EFFECTIVE DATE OF THIS SEC-  
21 TION THAT ARE MORE THAN \$100.00, AND ADDED TO OR SUBTRACTED FROM  
22 THE CURRENT MONETARY AMOUNTS AS PREVIOUSLY ADJUSTED BY THIS SEC-  
23 TION, WHICH SHALL BE THE NEW AMOUNTS FOR THAT YEAR.

24 (2) AN ADJUSTMENT UNDER THIS SECTION APPLIES ONLY TO EXPEN-  
25 DITURES OR VIOLATIONS OCCURRING AFTER THE DATE OF THE  
26 ADJUSTMENT.

1 (3) THE DEPARTMENT SHALL DETERMINE AND ANNOUNCE THE ADJUSTED  
2 AMOUNTS ON OR BEFORE DECEMBER 15 OF EACH YEAR AND SHALL PROVIDE  
3 THEM TO EACH PERSON THAT REQUESTS THEM.

4 (4) IF THE CONSUMER PRICE INDEX IS UNAVAILABLE, THE DEPART-  
5 MENT SHALL MAKE A REASONABLE APPROXIMATION.

6 SEC. 17748Q. THE DEPARTMENT SHALL PROMULGATE RULES TO  
7 IMPLEMENT SECTIONS 17748A TO 17748U UNDER THE ADMINISTRATIVE PRO-  
8 CEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328. SECTIONS  
9 17748A TO 17748U SHALL NOT BE ENFORCED UNTIL AFTER THE PROMULGA-  
10 TION OF THE RULES REQUIRED BY THIS SECTION.

11 SEC. 17748R. SEMIANNUALLY, THE DEPARTMENT SHALL PREPARE AND  
12 PUBLISH SUMMARIES OF REPORTS RECEIVED UNDER THE REGISTRATION,  
13 REPORTING, AND RECORD-KEEPING REQUIREMENTS OF SECTIONS 17748B TO  
14 17748I. THE SUMMARIES SHALL LIST THE NAME OF EACH MANUFACTURER  
15 AND AGENT. THE SUMMARIES SHALL BE GIVEN WIDE PUBLIC  
16 DISSEMINATION.

17 SEC. 17748S. (1) THE DEPARTMENT SHALL DETERMINE WHETHER A  
18 REPORT THAT IS REQUIRED TO BE FILED IS IN FACT FILED.

19 (2) A REPORT REQUIRED UNDER THE REGISTRATION, REPORTING, AND  
20 RECORD-KEEPING REQUIREMENTS OF SECTIONS 17748B TO 17748I SHALL BE  
21 FILED NOT LATER THAN 4 P.M. OF THE DAY ON WHICH IT IS REQUIRED TO  
22 BE FILED. A REPORT THAT IS POSTMARKED BY CERTIFIED MAIL NOT LESS  
23 THAN 2 DAYS BEFORE THE DEADLINE FOR FILING IS CONSIDERED FILED  
24 WITHIN THE PRESCRIBED TIME REGARDLESS OF WHEN IT IS ACTUALLY  
25 DELIVERED.

26 (3) WITHIN 10 DAYS AFTER THE DEADLINE FOR FILING A REPORT  
27 UNDER THE REGISTRATION, REPORTING, AND RECORD-KEEPING

1 REQUIREMENTS OF SECTIONS 17748B TO 17748I, THE DEPARTMENT SHALL  
2 GIVE NOTICE TO THE FILER BY CERTIFIED MAIL OF AN ERROR OR OMIS-  
3 SION IN THE REPORT AND SHALL GIVE NOTICE TO A PERSON WHOM THE  
4 DEPARTMENT FINDS PROBABLE CAUSE EXISTS THAT THE PERSON IS  
5 REQUIRED TO FILE, BUT WHO HAS FAILED TO FILE, A REPORT. THE  
6 DEPARTMENT'S FAILURE TO GIVE NOTICE AS REQUIRED BY THIS SECTION  
7 IS NOT A DEFENSE TO A CRIMINAL ACTION AGAINST A PERSON REQUIRED  
8 TO FILE.

9 (4) WITHIN 20 DAYS AFTER A REPORT IS REQUIRED TO BE FILED,  
10 THE FILER SHALL MAKE NECESSARY CORRECTIONS IN THE REPORT FILED  
11 WITH THE DEPARTMENT.

12 (5) AFTER 30 DAYS HAVE EXPIRED AFTER THE DEADLINE FOR FILING  
13 A REPORT, THE DEPARTMENT SHALL REPORT ERRORS OR OMISSIONS THAT  
14 WERE NOT CORRECTED AND FAILURES TO FILE TO THE ATTORNEY GENERAL.  
15 THE DEPARTMENT SHALL MAIL A COPY OF THE NOTICE TO THE ATTORNEY  
16 GENERAL TO THE PERSON WHO WAS REQUIRED TO FILE OR WAS REQUIRED TO  
17 CORRECT ERRORS OR OMISSIONS.

18 (6) THE DEPARTMENT SHALL CONDUCT INVESTIGATIONS AND 1 OR  
19 MORE HEARINGS AS MAY BE NECESSARY TO DETERMINE IF PROBABLE CAUSE  
20 EXISTS THAT A VIOLATION OF THE REGISTRATION, REPORTING, GIFT, AND  
21 RECORD-KEEPING REQUIREMENTS OF SECTIONS 17748B TO 17748O HAS  
22 OCCURRED. A HEARING CONDUCTED UNDER THIS SUBSECTION SHALL BE IN  
23 ACCORDANCE WITH THE PROCEDURES SET FORTH IN THE ADMINISTRATIVE  
24 PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

25 SEC. 17748T. (1) IF THE DEPARTMENT, UPON INVESTIGATION OF A  
26 REPORT FILED UNDER THE REGISTRATION, REPORTING, GIFT, AND  
27 RECORD-KEEPING REQUIREMENTS OF SECTIONS 17748B TO 17748O,

1 DETERMINES THAT THERE IS PROBABLE CAUSE TO BELIEVE A VIOLATION OF  
2 THE REGISTRATION, REPORTING, GIFT, AND RECORD-KEEPING REQUIRE-  
3 MENTS OF SECTIONS 17748B TO 17748o OCCURRED, THE DEPARTMENT SHALL  
4 FORWARD THE RESULTS OF THAT INVESTIGATION TO THE ATTORNEY GENERAL  
5 FOR ENFORCEMENT.

6 (2) A SWORN COMPLAINT ALLEGING A VIOLATION OF THE REGISTRA-  
7 TION, REPORTING, GIFT, AND RECORD-KEEPING REQUIREMENTS OF SEC-  
8 TIONS 17748B TO 17748o SHALL BE FILED WITH THE DEPARTMENT. UPON  
9 RECEIPT OF A SWORN COMPLAINT, THE ATTORNEY GENERAL SHALL DETER-  
10 MINE WHETHER THERE IS PROBABLE CAUSE THAT THERE WAS A VIOLATION  
11 OF THE REGISTRATION, REPORTING, GIFT, AND RECORD-KEEPING REQUIRE-  
12 MENTS OF SECTIONS 17748B TO 17748o. NOTICE SHALL BE GIVEN TO A  
13 PERSON WITHIN 5 DAYS AFTER A SWORN COMPLAINT IS FILED AGAINST  
14 THAT PERSON. NOTICE SHALL INCLUDE A COPY OF THE SWORN  
15 COMPLAINT. EVERY 60 DAYS AFTER THE DATE OF A REQUEST FOR AN  
16 INVESTIGATION AND UNTIL THE MATTER IS TERMINATED, THE ATTORNEY  
17 GENERAL SHALL MAIL TO THE COMPLAINANT AND TO THE ALLEGED VIOLATOR  
18 NOTICE OF THE ACTION TAKEN TO DATE BY THE ATTORNEY GENERAL,  
19 TOGETHER WITH THE REASONS FOR THE ACTION OR NONACTION. IF IT IS  
20 DETERMINED THAT THERE IS NO PROBABLE CAUSE THAT A VIOLATION OF  
21 THE REGISTRATION, REPORTING, GIFT, AND RECORD-KEEPING REQUIRE-  
22 MENTS OF SECTIONS 17748B TO 17748o DID OCCUR, THE ATTORNEY GEN-  
23 ERAL SHALL IMMEDIATELY GIVE NOTICE TO THE COMPLAINANT AND TO THE  
24 PERSON PREVIOUSLY GIVEN NOTICE UNDER THIS SECTION.

25 (3) ALL GOVERNMENTAL BODIES SHALL COOPERATE WITH THE DEPART-  
26 MENT OF ATTORNEY GENERAL IN THE CONDUCT OF ITS INVESTIGATIONS.



1           SEC. 17748U. THE ATTORNEY GENERAL, UPON INVESTIGATION AND  
2 DETERMINATION THAT THE REGISTRATION, REPORTING, GIFT, AND  
3 RECORD-KEEPING REQUIREMENTS OF SECTIONS 17748B TO 17748O WERE  
4 VIOLATED, SHALL DO EITHER OR BOTH OF THE FOLLOWING:

5           (A) INITIATE A CIVIL ACTION TO ENFORCE THE REGISTRATION,  
6 REPORTING, AND RECORD-KEEPING REQUIREMENTS OF SECTIONS 17748B TO  
7 17748I.

8           (B) BEGIN CRIMINAL PROSECUTION FOR THE IMPOSITION OF CRIMI-  
9 NAL PENALTIES.